

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1838
ANSWERED ON:29.11.2001
MANUFACTURING OF MM GRADE ROCKETS
PRABHUNATH SINGH

Will the Minister of DEFENCE be pleased to state:

- (a) whether the CAG in their report No. 7 of 2000 (Defence Services) rendered a report on the Army HQ going ahead with indigenous production of 122 mm grade rockets etc. despite holding of inventory valuing Rs. 25 crores at Ordnance Factory;
- (b) if so, the details of the points brought out in the report; and
- (c) the action taken by the Government on the report?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) Yes, Sir. CAG in their report No. 7 of 2000 (Defence Services) has raised questions on indigenisation of 122 mm GRAD rocket.

(b) 122 mm GRAD System alongwith rockets were initially procured from Russia by the Indian Army. Subsequently, DRDO was tasked by the Army to indigenise the rocket by reverse engineering. After completion of development, indents were placed by Army on Ordnance Factories (OF) and Bharat Dynamics Ltd (BDL) in 1979 and 1982. Till 1991, a total of 12546 rockets were produced and issued to Army. However, in March 1990, the production was stopped by the Army due to the rockets giving higher dispersion than the Russian Range Table criteria.

(c) Action Taken Report (ATR) has already been submitted to the CAG stating the facts. OF had materials and components worth Rs. 25 crore of inventory at the time of stopping production. This inventory was essential as part of production planning. The inventory cost has reduced to Rs. 18.40 crore, now due to utilisation of components and materials in other production activities.